



State of Wisconsin
Governor Scott Walker

Department of Agriculture, Trade and Consumer Protection
Ben Brancel, Secretary

DATE: May 1, 2013

TO: Board of Agriculture, Trade and Consumer Protection

FROM: Ben Brancel, Secretary *Ben Brancel*
Mike Powers, Administrator, Division of Agricultural Development *Mike Powers*

SUBJECT: Division of Agricultural Development's Assistance to Farmers

PRESENTED BY: Kathy Schmitt, Bureau Director, Farm Services & Sector Development
and staff members of the Division of Agricultural Development

RECOMMENDATION: Informational purposes only.

SUMMARY / BACKGROUND

Within the Department, the Division of Agricultural Development provides services to farmers that range from beginning, growth, specialization, expansion, and transition.

This assistance is provided to assist the farmers with accomplishing their goals, matching the needs of the individual farmer across many different types of farming operations, challenges and opportunities.

Below is the outline of the attached report, which provides a picture of Wisconsin farmers today, changes over time, the services are provided and the results of these efforts.

Division of Agricultural Development Services to Farmers

- I. Wisconsin Farmers and the Agricultural Economy
 - a. Types of Enterprises
 - b. Market Share of Sales by Farm Type
 - c. Farmer Demographics and Farm Income
- II. Services to Farmers
 - a. Beginning and Expanding Farmer Services
 - i. Livestock Farmers
 - ii. Local Food & Minority Farmers
 - iii. Retiring Farmers
 - b. Farmers and Others At-Risk
 - c. Client Assistance Program

###

Agriculture generates \$59 billion for Wisconsin

2811 Agriculture Drive • PO Box 8911 • Madison, WI 53708-8911 • 608-224-5012 • Wisconsin.gov

An equal opportunity employer

Division of Agricultural Development

Services to Farmers



Report to the Board
of the Wisconsin Department of Agriculture, Trade & Consumer Protection
May 14, 2013

Wisconsin Farmers and the Agricultural Economy

Wisconsin is home to a diverse agricultural economy. According to the Agricultural Census 2007, there are 78,463 farmers in Wisconsin. The characteristics of these farms and the people that farm them shape the services provided by the division.

Types of Enterprises

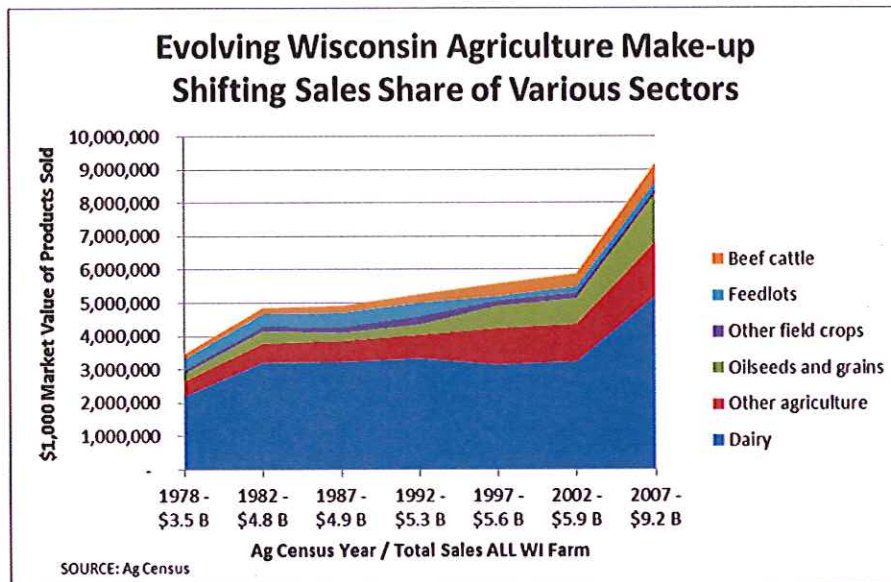


Table 1

Overall, agriculture has been growing in Wisconsin, but there has been a shift in the types of enterprises. While there has been a longstanding trend in a declining number of dairy farms in the state, farmers have moved to other, less labor intensive enterprises.

Tables 1 and 2 show the evolution of agriculture enterprise types and related sales from 1978 through 2007.

Table 2

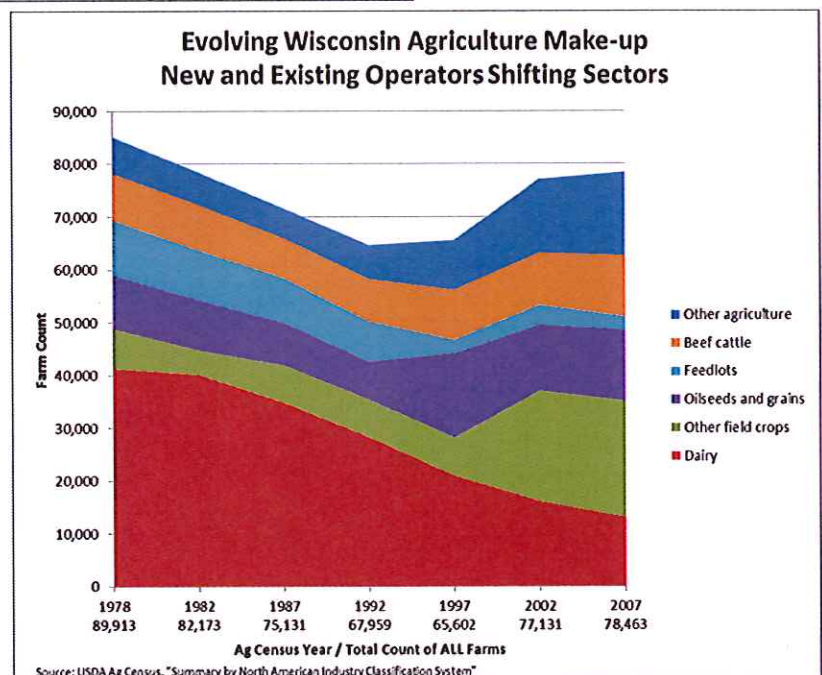


Table 3 compares several sources of dairy farm data that confirm that trend and Table 4 breaks the dairy farm sector into the major types.

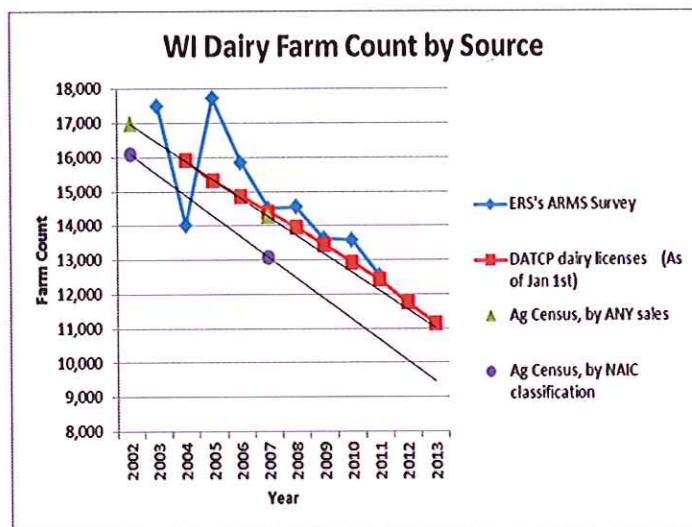


Table 3

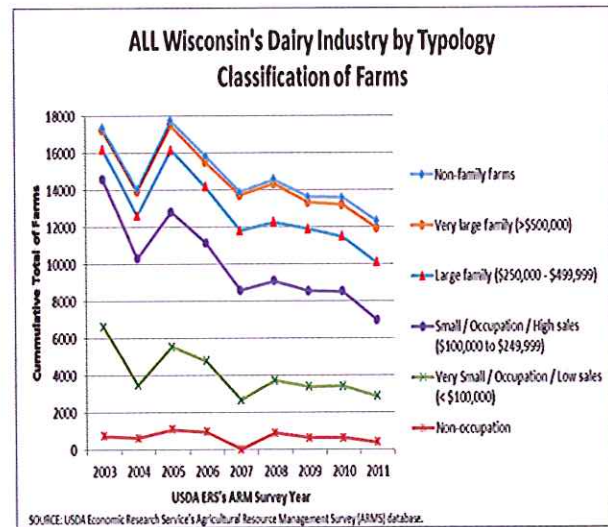


Table 4

Despite the declining trend in the number of dairy farms, dairy is still the most common primary income source for Wisconsin agriculture households. A look at percentage of total household

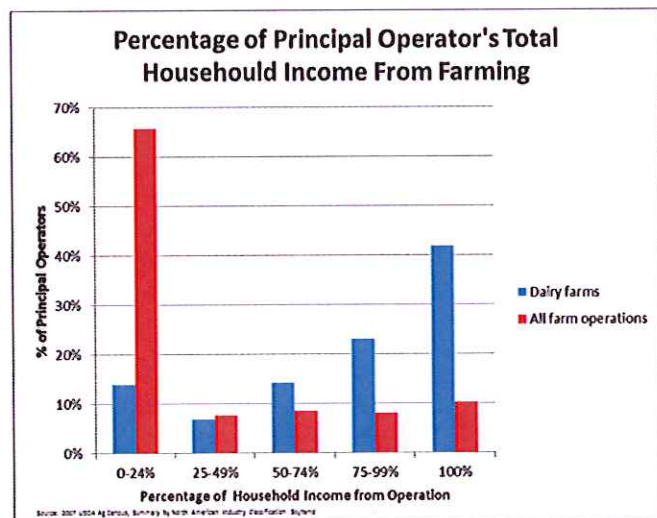


Table 5

2007 Census of Agriculture Farm Typology	Dairy cattle and milk production	Ave. all other agriculture NAIC classifications
Small farms, less than \$250,000 gross sales		
Limited resource farms (less than \$100,000 gross sales and principal operators household income under \$20,000)	4%	16%
Retirement farms (Operator reports being retired.)	3%	16%
Residential / lifestyle farms (Primary occupation not farming.)	4%	42%
Farming occupation / low sales (less than \$100,000)	11%	13%
Farming occupation / high sales (\$100,000 to \$249,999)	37%	3%
Large farms, more than \$250,000 gross sales		
Large family farms (\$250,000 to \$499,999)	22%	3%
Very large family farms (\$500,000 or more)	13%	3%
Non-family farm	5%	4%

income from dairy farms versus all farm operations supports that claim (Table 5). Family farms of various sizes continue to represent 95% of Wisconsin dairy and other agricultural operations (Table 4). Dairy accounts for \$5.2 Billion of Wisconsin's total agricultural sales of \$9.2 Billion according to the 2007 Census of Agriculture.

Direct market sales have seen a growing interest from both consumers and farmers. Sourcing data on this sector is difficult. Growth has been substantial in this arena, though it is still a small sector of our overall agriculture economy.

Table 7

Value of WI Agricultural Products Sold Directly to Individuals for Human Consum

NOTE: USDA ERS study finds these numbers could be as much as 4X if use broadest sense of direct marketing term used and all participants

	2007 Farms sales within range (count)	Growth from 1992	Total value of sales (\$1,000)	Growth from 1992
\$1 to \$499	1,495	49%	\$301	48%
\$500 to \$999	891	66%	\$630	68%
\$1,000 to \$4,999	2,419	118%	\$5,603	125%
\$5,000 to \$9,999	652	206%	\$4,345	208%
\$10,000 to \$24,999	463	148%	\$6,670	135%
\$25,000 to \$49,999	158	172%	\$5,519	185%
\$50,000 or more	165	251%	\$20,423	341%
Total Farms	6,243	98%	\$43,491	213%

SOURCE: 2007 Ag Census

One subset that makes a large contribution to direct market sales is organic. Wisconsin is second in the nation in numbers of organic farms, third in the nation in numbers of organic vegetable farms, and fourth in numbers of organic berry farms. According to the 2008 NASS census of organic farms, sales of organic produce in WI were at about \$6.5 million. Organic berry sales were \$2.7 million. Wisconsin was the second highest state after California in local and regional sales of organic products.

Demographics

If you look at Wisconsin's farmers as a whole, they could be described to be aging white men working full time only on the farm. But the detail is lost in that homogenous description of farmers and there are some interesting trends that are indications of a changing face in agriculture.

Table 8

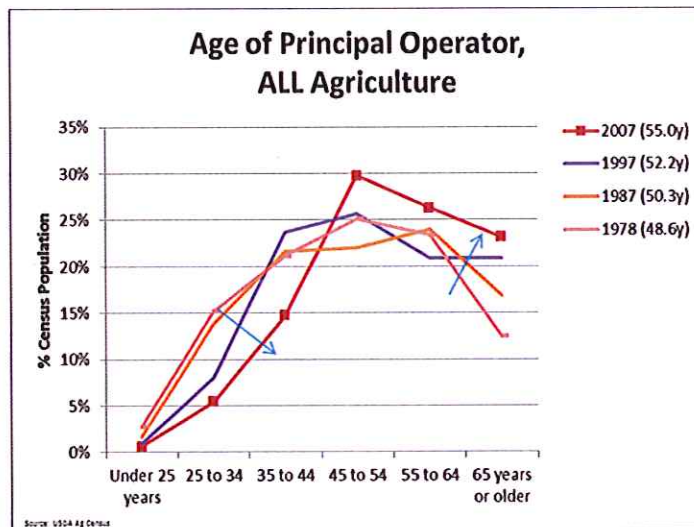


Table 9

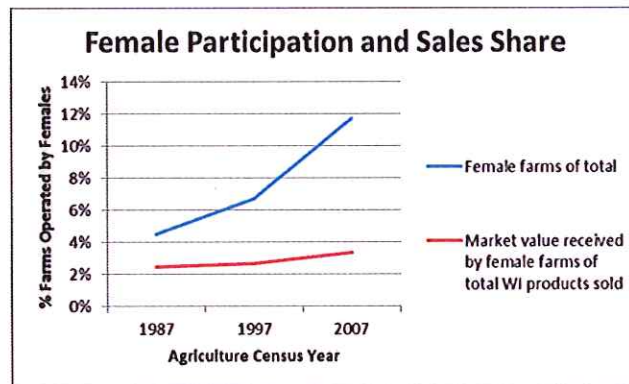
Characteristics of Principal Operator

	1987	1997	2007
Total	75,131	65,602	78,463
Sex			
Male	96%	93%	88%
Female	4%	7%	12%
Primary occupation			
Farming	71%	59%	47%
Other	29%	41%	53%

SOURCE: Ag Census

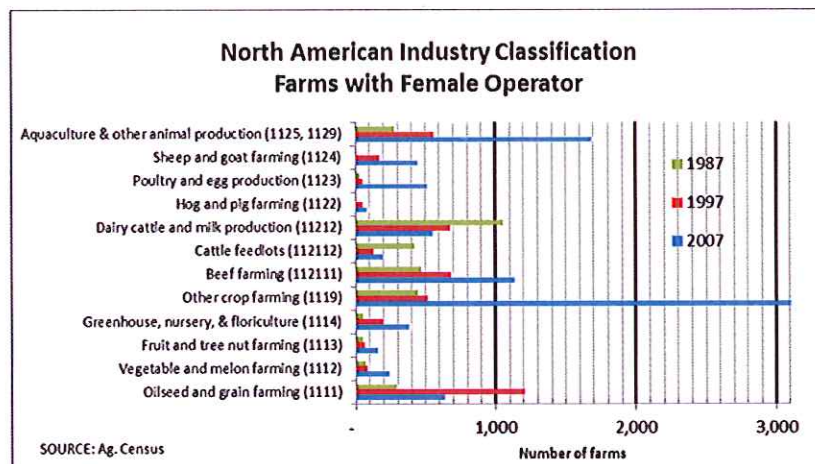
Of note is the declining trend of farming as a primary occupation. There is also a trend toward more female farm operators in this state and although their overall sales share is still small (not quite 12%), it has doubled since 1992 (Table 10).

Table 10



The growth is also reflected in the type of farm enterprises women engage in. Table 9 shows that every sector except dairy/milk and oil seed/grain crops (corn and beans) has seen a growth in the number of female operators. Table 10 shows that size of farms operated by females also continues to grow.

Table 11



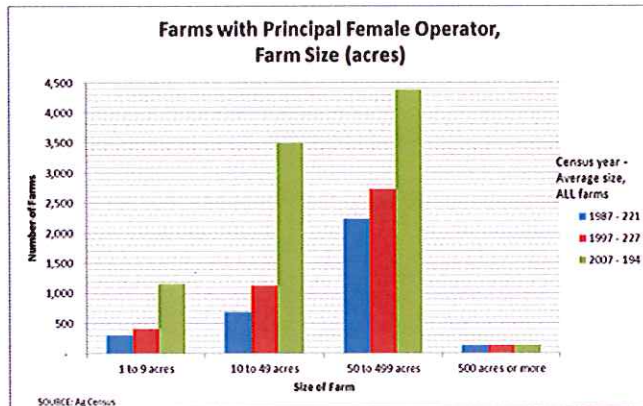


Table 12

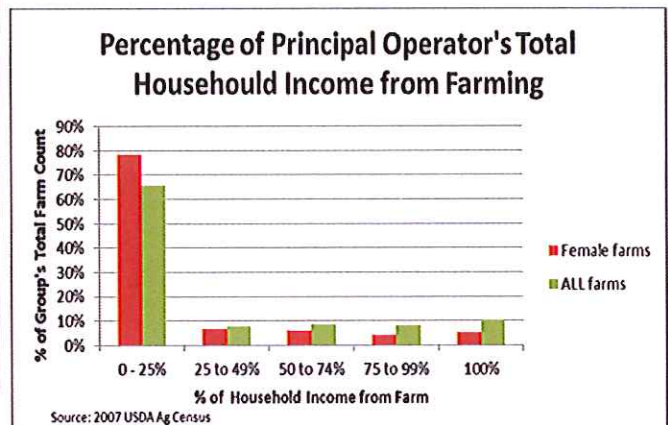


Table 13

Wisconsin also has a growing population of minority farmers (Table 15). It is difficult to get accurate data for these populations as the numbers are relatively very small and the sampling error rate in counting them is higher. Some of the growth in these populations can be attributed to better counting rather than true growth. Efforts to encourage minority farmers to complete the agricultural census has contributed to the higher numbers reported.

Ag. Census Count of Minority Farm Operators

	1987	1997	2007
American Indian or Alaska Native	42	82	100
Asian, Native Hawaiian or Pacific Islands	14	57	168
Black or African American	46	21	44
More than one race	61	24	85
Total	163	184	397
Spanish, Hispanic or Latino Orgins	158	251	245

Note: 1978 Ag Census, "Blacks and other races = 207"
SOURCE: Ag Census

Table 15

Table 16

Characteristics of Principal Operator

	1987	1997	2007
Total	75,131	65,602	78,463
Years on present farm			
2 years or less	4%	5%	3%
3 or 4 years	5%	6%	5%
5 to 9 years	14%	13%	15%
10+ years	64%	65%	77%

SOURCE: Ag Census

Age and length of time farming are other variables that help shape the division's services to individuals (Table 16). The average age of farmers in Wisconsin was 55 years at the time of the 2007 Census. According to the Economic Research Service, there are twice as many farmers over age 65 as are under the age of 35. The age of landowners is even older than the age of farm operators with 77 % of the land owned by

someone at least 70 years old or older. The implications are huge as one reflects on the amount of land that will change hands over the next 20 years. Notable too, is the small number of new/beginning farmers developing to replace those that exit.

Services to Farmers

The division responds to a broad array of constituents that reflect this picture of Wisconsin's farmers. Farmers contact the Division of Agricultural Development (DAD) for information, referrals, and hands-on technical assistance. They come to the division by referral, the Wisconsin Farm Center helpline, the Dairy 30x20 line, Buy-Local, direct marketing programs and by direct calls to staff after outreach events or word of mouth to initiate contact. Staff assists callers by helping them sort out problems or opportunities, identify potential solutions, locate resources, establish a plan of action and take advantage of opportunities. The challenges described by these constituents vary and range from how to start a direct marketing enterprise to how to transfer the farm and make an exit from the industry.

A sample of farmer challenges are:

- Herd health or production
- Financial
- Farm transfer
- Farm exit
- Access to capital
- Lack of knowledge, resources, networks
- Disagreements with government programs
- Physical or mental health
- Business skills
- Understanding rules and regulations
- Input costs
- Distribution challenges
- Entry into new markets
- Beginning farmer
- Weather
- Cultural challenges

Although DAD staff respond to calls from anyone, services tend to focus on farmers who are financially at-risk, new or beginning, expanding their business (in a transition phase), and/or are smaller operators. These farmers tend to have operations that have difficulty getting the services they need from the private sector within their budget. Services are targeted to farmers that are working toward gaining a substantial portion of their household income from farm receipts. The intent is to help these farms thrive, grow, and/or transition out of farming with a thoughtful plan.

Beginning/Expanding Farmer Services

A number of the farmers served are beginning farmers or are new to American farming methods, market practices, food safety concerns and technology. Others are expanding their operation or adding a new enterprise.

Livestock Farmer Services

Wisconsin is home to 14,775 beef producers and 14,158 dairy producers. Without dairy or dairy beef, Wisconsin raises enough beef to feed 2.2 million people. The number is much higher when dairy steers are considered. We continue to add farms with beef cows to the state, but the average beef herd size is just 18 head.

Livestock farmers are faced with rising input costs and farm gate prices that while seemingly high, don't always cover operating expenses. The 2012 drought caused additional challenges including higher feed prices (which represent over half of livestock farm expenses); a shortened grazing season and scarcity of forage for winter.

Beef cow calf operators culled earlier and heavier than in a typical year. The U.S. Beef Cow Herd is smaller than any time since 1961 resulting in tighter supplies of feeder calves. Feedlot operators in Wisconsin are faced with high feeder cattle prices due to tighter supplies and higher feed costs. These two factors have resulted in tighter margins and closeout losses.

Hog farmers are also dealing with tight margins. Hog cash and future prices are struggling to gain steam. The late spring has delayed the grilling season and everyone in the meat protein supply chain is waiting for warmer weather.

Pasture based livestock producers share with other farmers the challenge of high feed prices as a result of last year's drought and already high grain prices. Pasture production is arguably more sensitive to seasonal drought than hay production is. If pastures don't receive consistent weekly rainfall, growth can slow or stop until soil moisture is restored and the pasture rotation is disrupted. Last summer, many producers were forced to feed out some of their winter hay supply to supplement pasture, and as a result had to purchase feed during the winter.

General challenges include building management skills to make the most of pasture while maintaining acceptable weight gains on calves and finish animals. Pasture can be the most economical source of forage for a livestock producer, but lack of management skills can reduce the quality and yield of the pasture significantly. As droughts become more frequent, producers will need to master new skills to ensure an on-going and consistent supply of pasture or stored forages.

Pasture is the cheapest source of forage that we can grow in Wisconsin. As input prices continue to rise, helping farmers get the most out of their pastures through managed grazing has the potential to provide a great financial benefit to livestock producers.

Grass-fed and local meats are a growing industry in the state and nationally. Retail sales of grass-fed beef are estimated at more than one billion dollars annually, with only \$380 million from domestic production. By capturing more of this market, domestic producers can benefit from premiums for grass-fed meat which are similar to those commanded by organic products.

With population expected to grow over 9 billion, meat protein will be in demand globally. Ongoing drought conditions in parts of the country will bolster prices and demand for beef

grown in the Midwest. The availability of feed, forage and water make Wisconsin a good place to raise meat animals.

Services:

- One-one consultation/technical service for business planning, grazing or other production planning, and strategic planning.
- Training in best management practices
- Assistance with Direct Marketing
- Farmer educational workshops, meetings and conferences
- Livestock facility tax credits
- Industry support through involvement in livestock associations and through grazing specialist and network development

Results:

- Worked with 35 livestock farmers' one on one.
- Offered 5 workshops that reached 112 people
- Fielded more than 200 calls and emails with grazing questions.
- Provided eight invited grazing presentations totaling approximately 550 participants.
- Managed a three year, \$72,000 grant to provide 'train the trainer' grazing education programming to agency staff and grant funded grazing specialists. Recorded 196 participant contacts and five workshops to date.
- More than 15,000 farmer contacts annually via grazing network staff and grazing specialists
 - Note: funding for this activity has been eliminated from the budget.

Local Foods & Minority Farmer Services

The local food farmers that contact DAD are asking for assistance in the areas of: financial and data management, business planning, sales and marketing, on-farm food safety, organic weed and insect control, access and transportation to markets, and understanding the regulatory environment. Scaling up to move the sector beyond direct marketing to get fresh product into more retail outlets and into the processing industry is a broad challenge faced by this group. In addition, organic certification costs present a financial challenge for many smaller produce farmers.

Minority farmers are heavily involved in the production of local food. This group of farmers has different cultures from mainstream Wisconsin farmers and English is not the primary language for many of them. They bring their rich cultures, ethnic foods and unique produce to the market and play an important role in the local food economy, especially in the fresh produce and fresh cut flowers markets. Because of the cultural and language barriers, they tend to feel isolated from

mainstream farming information. They have had limited experience with public farm programs and other resources.

The local food market sector plays an important role in Wisconsin's agriculture. Keeping food dollars in Wisconsin communities supports local businesses, improves farm incomes, and creates jobs. DAD's focus on producer development services is helping farmers improve their technical capacity, which in turn positively influences farm viability and Wisconsin agriculture overall.

Demand is continuously outpacing supply, providing good opportunities for local food producers. Wisconsin could scale up to producing for regional and national wholesale markets for both fresh and processed produce. Assisting farmers in their growth would help the sector scale up to meet the demand.

This is a market sector that has continually attracted minority, young and "new to agriculture" producers. With the average farming age nearing retirement, having a strong next generation of farmers is incredibly important for Wisconsin Agriculture.

As a result of the challenges and opportunities, producer development continues to be a top priority for the expansion of the local food market sector in Wisconsin. These producers have varying levels of experience. Beginning growers, or those that have just started to enter into local markets, have very different needs than more experienced growers that are looking to expand. Producer development services are targeted to varying levels of experience.

Services:

- Cost share for organic certification total of ~\$500,000 in cost share dollars (federal funds).
- Individual assistance to beginning organic and minority growers via calls, emails, and face-face consultations.
- Invited presentations at conferences and workshops around the state on how to be certified and how to access markets.
- Local Food Marketing Guide, F2S (Farm to School) Producer Toolkit, and other producer resource tools.
- Producers First 1:1 technical assistance program
- Local foods workshop/webinar series
- Culturally appropriate training workshops in the area of risk management and marketing. Trainings are presented in Hmong and/or interpreted into Hmong.
- Connect other state and federal programs with minority farmers about services. Representatives from organizations such as Farm Service Agency, UW Extension, USDA-NRCS, etc. are invited to present their programs and services to this group.
- Field tours to observe and learn from experienced farmers.
- Referrals to other programs or organizations that can help.
- Hmong mentor training

Results:

- Individual technical assistance: approximately 250 calls and emails with organic questions annually.
- 100 packets of organic information mailed to farmers considering organic production.
- 4 invited presentations on general organic topics totaling approximately 380 participants.
- Approximately 150 organic vegetable growers participate in the organic cost share program with typical cost-share rates of \$500-600 per year (\$80,000 to \$90,000 distributed per year to vegetable growers). This is Farm Bill program that was zeroed out when the farm bill was extended.
- Producers First: FY 11
 - 8 projects
 - \$20,925 in awards
 - Outcomes
 - Increase Sales – \$76,515
 - New Investment – \$367,523
 - Jobs created – 19
 - Jobs retained – 21
- Producers First: FY 12
 - 14 projects
 - \$35,922 in awards
 - Outcomes – Many of these projects are just now finalizing their final reports. We are in the process of collecting these outcomes from short and long term reports and will include the results in our annual impact report.
- Local Foods Workshop/Webinar Series – FY13
 - Intensive day-long workshops designed to reduce barriers for local food producers.
 - Intermediate QuickBooks for local food producers was offered as an in-person and webinar workshop this past January.
 - 20 attendees participated in the workshop and/or webinar and the archived version is available for future views.
 - “Post-harvest handling and on-farm food safety” workshops in 4 locations around the state.
 - 208 attendees participated in these workshops.
 - Webinar series, “Fearless Farm Finances” was offered and archived in March.
 - 54 attendees participated.
 - April/May webinars include:
 - Farm legal issues for direct marketers
 - Online marketing 101 for local food producers
 - Rules and regulations overview
 - Follow-up survey will be sent out to all workshop/webinar participants to measure the long-term impacts of our educational programs.

Minority Farmer Results for Federal Fiscal Year 2012

- Served 104 Hmong farmers.
 - Conducted 9 workshops on safe food handling, growing organic vegetables, pest & disease management, and income & expense record keeping.
- Built a hoop house (hand-on training) on the farm site.
 - Provided in depth trainings on income and expense record keeping to 5 Hmong farmers so they can teach others Hmong farmers.
 - Recruited and trained 5 Hmong mentors so they can coach and provide technical assistances to the Hmong farmers in the local areas.
 - Secured 6 scholarships from Midwest Organic & Sustainable Education Service for 6 Hmong farmers to attend the MOSES Organic Conference for the first time.

Producer's First Project Example

Carlson's Island View Orchard

Description

Carlson's Island View Orchard is located in the heart of Door County and features cherries, berries, and fresh produce. In addition, they have an on-site farm market that features local produce, specialty foods, organic vegetables, and other local products.

Project Activities

- Developed packaging for wholesale distribution of product
- Improved recordkeeping system to better track and manage production & sales
- Created a website that has the ability to sell products online

Results

- 1.5 jobs created
- 7 new markets (5 restaurants, 2 grocery stores)
- \$5000 invested into the business due to work with Producers First

Producer says:

"This is a very beneficial program. Our future plans are much more focused. I am certain that we would not have taken the time to develop and implement the bookkeeping system, the label upgrade, or the website, without the technical support the Producers First program helped us obtain."

Minority Farmer Example

My name is Yee Yang. I work on the farm for my entire life. Since my family resettled in America, I still have small garden-just grow enough fresh food to feed my family. However, I decided to grow little more and try to sell at the farmers' market just a few years ago.

In 2008, a Hmong gentleman named Jack Chang from Wisconsin Farm Center introduced their programs and services to me and my husband. He also invited us to join his farming educational workshops nearby our areas. We attended couple workshops related to how to grow more vegetables and how to organize and display our booth at the farmers' market. We learned a lot from soil testing to marketing our produces at the farmers' market. We also applied and received \$300 for flood relief in 2008.

In 2009, we applied some of the skills and methods that we learned from the workshops into our farm operation. As results, we harvested more fresh vegetables and increase our sales at the farmers' market.

This year is even better. We rent a few more acres and grow more variety of fresh produces and flowers. We grow more than the year before, but some of our produces are not enough to sell. We still need to buy them from other local farmers to fulfill the need of our customers.

One day, a young lady from the Senior Community Center stopped at my booth and introduced herself to me that she was the event coordinator at the Senior Community Center and liked to ask me to sell my fresh produces at their senior center. She also told me that before she came to the farmers' market, she had selected the farmer to talk and ask to sell at their senior center. However, when she saw my attractive, colorful booth with variety fresh produces, she changed her mind and liked to offer me the opportunity first. I was so glad to hear she said that through my son as an interpreter. I took the opportunity and plan to sell at their senior center.

On August 20th, 2010 was my first day selling at the Senior Community Center. I was busy and made lots of sales over there. I was scheduled to sell there once every other Friday throughout the entire crop season this year. I will be their future vendor who sell fresh produces and the only vendor. I felt so great when I heard that positive news. I have been selling my fresh produces and fresh flowers since 2010

Thank you to Wisconsin Farm Center. Thank you so much for everything you do to help us to be at where we are now.

Yee Yang, a minority producer

Retiring Farmer Services

There has been increasing demand for farm succession planning. The challenges faced by this group of farmers include getting information about how to plan a farm transfer, feasibility of their transfer ideas, and discussing transition plans with family members.

Services:

- Individualized consultation to both generation of farmers for business, retirement, transfer and estate planning to insure their financial security in retirement.

Results:

- The Farm Center provided assistance in 62 full service farm transfer cases, answered numerous hotline calls with questions about farm transitions, and teamed with Extension on a number of farms for transition planning.
- 45 new cases were opened, 30 cases closed and about 40 cases are ongoing.
- Staff made 6 presentations about farm transitions to various young beginning farm groups such as Farm Bureau, Farmers Union, University groups and Extension meetings and teamed with Center for Dairy Profitability on grant funding to create a facilitation structure and process.
- Benefits to farmers who take advantage of this service include:
 - Reduced time and associated costs for legal fees as much of the pre-planning work is completed before the farmer meets with their attorney.
 - Better understanding of their personal and business financial future.
 - Improved communication among family members about how the farm transfer is being planned.
 - Improved likelihood that the transfer plan will be completed.

Client Example

A farm couple in their early 60's called and asked about ways to transfer their farm to their son and daughter in law. The parents had the following goals: continue farming on a part time basis and to provide some labor to the son; financial security a minimum of complexity and paperwork; little or no tax liability; some protection from nursing home expenses; and to transfer some non-farm assets to non-farm children. Another goal was freedom to have time away from the farm.

We discussed their objectives, retirement plans, other children [Fairness vs. equality], ways to transfer and farm viability for the son and daughter in law.

We had three meetings, first with parents as described above, then with son and daughter in law to explore their objectives, thoughts, financial viability, debt servicing, etc. In summary, the next generation wanted to farm.

The third meeting was with parents and son and daughter in law to have each party share their objectives, how to transfer and the impacts on all involved. We discussed pros and cons of probate, trusts, and legal entities like an LLC. We further discussed the farm viability and both short term and long term transfer of property.

The end result is that they formed an LLC on the personal property and the farm operations. The real estate will be put into a trust with parents having a life estate. Son and daughter in law had some farm assets and parents both sold and gifted some assets so the LLC would be 50 percent owned by both parties. The LLC will cash rent the real estate and facilities from the parents trust. The LLC will over time be transferred by installment sale to the son and daughter in law. The son and daughter in law will have the opportunity to buy real estate from the trust with terms defined. Other children not involved in farm operation will inherit non-farm assets--like the residence, (which is not on farm), life insurance and some retirement accounts. We accomplished the objectives of both parents and the son and daughter in law. We kept the next generation on the farm with great opportunity for success. They also kept capital gains tax

liability to a minimum, reduced nursing home care expenses and set up legal entity's to carry farm into the future. In the end the farm operation will be viable and parents will have a secure retirement.

Farmers and Others At-Risk

Many of the contacts received by the division are from farmers who are having financial challenges or other challenges that place their farm operation at risk for continuing. The challenges are often complicated by disputes between parties involved. Although this group of farmers is typically thought of in relation to the Farm Center, they are also a significant group for business development staff and for the Client Assistance Program.

These farmers present an opportunity for staff to help them improve their farm's viability and sustainability.

Services:

- Farm financial consulting services
- Farm mediation services
- Seeds of Hope counseling vouchers
- Farm Center Resource Database
- Rural electric power quality services
- Herd health diagnostic services
- Collaboration with and referrals to UW-EX, FSA, Ag Lenders, Service Providers, Utilities and others
- Staff with diverse agricultural and cultural backgrounds
- Advocacy
- Beginning Farmer Tax Credit processing

Results:

- Helpline calls to the Wisconsin Farm Center
 - Calendar year 2012 = 2133
 - Calendar year 2011 = 2126
 - 154 at-risk farmers served
 - 50 cases opened – (30 ongoing)
 - 74 cases closed -
 - Staff invited to present at 7 workshops and 3 university classes
 - Numbers of workshop participants – over 200
 - Farm mediation cases
 - Comparison of Federal Fiscal Years 2012 to Previous Years
- During FFY 2012, FMAP opened 78 mediation cases. This number has increased from FFY 2011, when the FMAP opened 64 cases. 92 new financial/advisor cases were opened, less than the 189 cases opened the previous year.

- The formal mediation caseload was higher in FFY 2012 as there was an increase in foreclosure and bankruptcy cases due to the tightening of banking regulations and the unwillingness of some banks to restructure existing debts or extend more credit to struggling farmers.
- The financial/advisor caseload was a slightly smaller in 2012 but the complexity of the cases tended to be much greater. Most of the FFY 2012 financial caseload relates to a carryover effect from the difficult farm economy caused by low milk and livestock prices in 2009, the continued high cost of inputs for farmers, and the downturn in the U.S. economy.
- Mediation Services Provided
 - 78 New Cases Opened in FY 2012
 - 10 Cases Carried Forward from FY 2011
 - 88 Total Cases Open during FY 2012
 - 59 Cases Closed in FY 2012
 - 29 Cases Carried Forward to FY 2013
- Case Load by Agency
 - 6 USDA wetland determinations
 - 9 Compliance with USDA farm programs, including USDA conservation programs
 - 60 Agricultural loans, made by USDA or a private lender (includes credit extended by a supplier for agricultural inputs like fertilizer, seeds, etc.)
 - USDA rural water loan programs
 - Grazing on National Forest lands
 - USDA pesticide issues
 - USDA Rural Housing loans
 - USDA Community and Business Programs loans
 - USDA crop insurance programs
- Mediation Resolution Rate
 - 21 FSA Reach Agreement/Better Understanding
 - 4 NRCS Reach Agreement/Better Understanding
 - 20 Non-USDA (Banks, FCS and other creditors) Reach Agreement/Better Understanding
 - 45 Total Cases Reach Agreement/Better Understanding of Issues
 - 76% Reach Agreement/Better Understanding of Issues
 - 8 FSA Withdrawal/Did Not Reach Agreement
 - 3 NRCS Withdrawal/Did Not Reach Agreement
 - RMA Withdrawal/Did Not Reach Agreement
 - Non-USDA Withdrawal/Did Not Reach Agreement
 - 12 Total Cases Withdrawal/Did Not Reach Agreement
 - 20% Withdrew/Did Not Reach Agreement
 - Declined Mediation Services
 - .03% Declined Mediation Services
 - Overall mediation resolution rate increased 11% in FFY2012.

- Average costs of Mediation Services per Client
\$2,501.28 per case (\$197,601.21, budget for FFY 2012, /79 cases)
- Estimated Savings to the USDA
Projected cost savings in FSA / USDA cases is significant again this year as the average cost of a NAD appeal is \$6,000. The overall case cost has increased this year due to the slightly lower overall number of cases (both formal mediation cases and financial counseling cases). Savings to USDA of approximately \$3,500 per case.

Client Example

A recent client called who was simultaneously experiencing financial stress on the farm, as well as filing a consumer protection complaint/lawsuit against a building contractor who built an addition on the farm house. We initially worked as fact-finders, getting the whole picture of both the farming operation and the house situation. We divided our efforts between the two, working closely with the consumer protection division to ensure that her case was being processed properly, and that she was completing all the necessary tasks. Then we helped her in her search for an attorney that would take her case.

Regarding the farm finances, we teamed with a local technical college instructor that the family had a relationship with and reviewed the financial status of the farming operation. Next, we conducted an on-farm meeting with the whole family to discuss the future of the farm, their personal goals, and the reality of their situation. They were struggling to feed the cattle they had, and were unable to cash-flow the business and stay afloat. We recommended that someone on the farm seek outside employment at least part-time to provide some cash to the family for living expenses, and we assisted them in enrolling in FoodShare to make sure their needs were met.

We then discussed how those measures were only a short-term solution to a bigger issue of the farm not being viable. We discussed many options, including selling the whole farm and moving to a new location, and settled on an agreeable solution of selling some of their crop land at an auction to bring them current on their mortgage payments and their accounts payable. We also helped the family conduct two formal mediations with the Farm Service Agency, one resulting in the filing of a national appeal, which ended in their favor.

We spoke to the family weekly to monitor their progress and address any questions. Soon, the son was working part time off the farm and bringing home some money for the family, and they had an auction for which they received a good price for some of their land. Although they did sell some crop land, the reduction of debt allowed them to continue farming without being in a negative cash flow situation. They are able to support their small herd on the reduced number of acres. The son enjoys working off the farm part-time, and continues to do so. The herd is not big enough to support both he and his parents full-time, but they are continuing to do what they enjoy, and have not had to move from their farm.

The lawsuit on the home addition is in progress, and is looking like it will provide a good settlement for the family to allow them to have a properly built home to live in on the farm.

Client Assistance Program

The Client Assistance Program, (CAP), provides information, referral and dispute resolution services to applicants or consumers of the Division of Vocational Rehabilitation, (DVR), and the Native American Vocational Rehabilitation programs in Wisconsin. CAP is housed within DAD to help ensure neutrality Vocational Rehabilitation (VR) agencies provide services to persons with disabilities, (PWD), to assist them in obtaining, maintaining, retaining and advancing in employment i.e. get a job, keep a job, or get a better job.

Due to the struggling economy in 2012, more PWD were forced out of the labor market or had their work hours and/or benefits reduced or eliminated. Consumers calling CAP presented a broader range of issues compared to previous years related to basic needs (lack of accessible housing, transportation, education, personal assistance services, health care), restrictions in capabilities (mobility, quality of health services, lack of available services) and increased costs due to their disability. Many consumers who were seeking DVR services were not only there for assistance in finding employment but also for assistance with meeting their basic needs.

In 2011 persons with disabilities in Wisconsin were 2.5 times more likely to live below the poverty level than persons without a disability.

CAP also uncovered several cases where the PWD's motivation for remaining active in the VR program was not related to a desire to reach their job goal but to postponing the repayment of their student loans. A PWD who is active with VR can have their student loans placed in forbearance. This type of situation can take countless hours to uncover and places a great strain on the manpower of both VR and CAP. We have made the federal program aware of this and will submit recommendations once the Commissioner for the agency is appointed.

Despite the creation of guidance pieces that were developed to assist DVR staff in working with consumers whose goal is to become self-employed or maintain their existing farm, CAP continues to experience a high volume of self-employment complaints. CAP continues to work on developing best practices for PWD who seek to be self-employed. CAP also continues to work with farmers to help them identify whether the service they are requesting would be considered an assistive technology item that is needed to accommodate the disability or an operational/business need.

Services:

CAP resolves disputes through individual and systematic advocacy.

Systemically CAP continues to create opportunities to work with the:

- National Coalition of State Rehabilitation Councils to address the work disincentives that are the result of laws and administrative rules in the Social Security Administration, Housing and Urban Development and Medicaid that

limit the employment options for PWD who require lifetime access to disability services,

- State VR agency to incorporate strategies designed to impact on the quality of life for a PWD by improving their economic stability, decreasing stress and financial crisis, and expanding opportunities for community participation through financial literacy training. Developing a spending plan, saving money, managing debt, improving credit scores, developing assets and executing accurate record keeping directly impacts quality of life, and
- AgrAbility of Wisconsin FARM Program, the FARM Center and DVR to improve processes in VR that will better serve the needs of farmers with disabilities.

Results:

- Reporting time frame: 10/1/11-9/30/12
- Number of individuals served as “cases”: 167
- Number of Calls seeking information, referral or advice: 3050
- Number of Presentations:
 - New Employee Training for VR staff (68 participants)
 - Order of Selection Training for Independent Living Centers and other advocates (40 participants)
 - Individualized Plan for Employment Training to VR staff (16 participants)
 - Working with Traumatic Brain Injury Consumers (22 participants)
 - Customized Employment (30 participants)
 - Overview of Vocational Rehabilitation to long term care agencies (100 participants)
 - Order of Selection Training to VR staff (224)

Client Examples

Fifty-eight year old farmer was found eligible for VR services but placed in a closed category despite having arthritis and other physical limitations from a 2010 heart attack. Placement in this category would have resulted in the farmer being placed on an indefinite waiting list for VR services. CAP worked with the farmer to obtain additional medical information which identified his permanent restrictions along with placing him in the medium work capacity category. Even with this information, DVR would not reassign the farmer to an open category. CAP filed a request for a fair hearing. After receiving notice of the hearing request, the DVR district director agreed to conduct an administrative review of the case. This resulted in the farmer being reassigned to an open category and immediately activated for services.

A 57 year old lifelong dairy farmer with cerebral palsy, right hand paralysis, spinal stenosis and arthritis was receiving services from DVR when a dispute arose over the services he was requesting. The farmer contacted CAP for assistance.

Through negotiations with the DVR counselor, CAP was able to resolve all of the farmer's issues.

DVR agreed to provide the following services:

1. the installation costs of removing and installing a hydraulic seat from an older tractor to the new tractor,
2. the cost of moving the PTO on the new tractor forward 12" from the back part of the console to make it more accessible for the farmer to operate and
3. 4 sets of hydraulic couplers that would allow the hoses and fittings for various tractor implements to be joined or attached and removed quickly and with little effort by the farmer.